

ROUTING AND RECORD SHEET

83-4585

SUBJECT: (Optional)

FROM:

Deputy Director of Personnel
5 E 58 Hqs.

EXTENSION

NO.

DATE

6 October 1983

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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Executive Officer/DDA

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George:

You may or may not agree with the comments; I don't, but this is the general analysis of the Executive Order we talked about yesterday.

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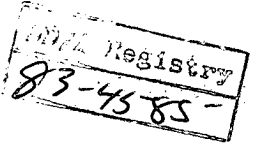
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Comments Regarding Executive Order Regarding Omnibus Budget

Reconciliation Act

Provisions in Executive Order

Disability Retirement

Restored to earning capacity test (earned income not to exceed 80% of grade and salary) shortened from two years to one year.

COMMENT: Negative to retiree - in terms of cost to system, a plus.

Verification of earnings reports filed by disability annuitants can be checked against records of SSA, Labor Department, and FECA.

COMMENT: Better control to system.

Interest Rates

Changed rate from 3% to a variable rate, effective 1 January 1985, determined by the Secretary of Treasury on the basis of average yield of investments purchased by the Retirement Fund during previous calendar (fiscal ?) year.

COMMENT: Additional cost to employee; Additional funds to system.

For Service performed after 1 October 1982, all uncovered service must be purchased for credit toward annuity computation.

COMMENT: Same as above.

Employee must be separated for at least 31 days to be eligible for a refund of retirement contributions and not re-employed subject to the Retirement Act.

COMMENT: Limits employee's access to his retirement fund contributions.

Rounding Down

Annuity computations are rounded down (cents are dropped). Previously 49¢ or less was dropped; 50¢ or more the annuity was increased to the next higher dollar.

COMMENT: Cost savings to system.

Later Commencement Date

Instead of beginning the day after retirement, the new rule is the annuity commences on the first day of the month after separation. (Exception to rule in case of disability or involuntary separation).

COMMENT: No hardship to employee, he can schedule his date to avoid the pitfall. Also, If employee serves three days or less in the month of retirement the annuity commences the day after separation.

COMMENT: Plus to employee.

Credit for Military Service

The "Catch 62" provision. Employee has option to purchase post 56 military service.

COMMENT: Plus to give employees an option. Already retired with offset in effect, annuity adjusted so that reduction equals the fraction of the social security benefit on which military wages were used.

COMMENT: Most likely to increase annuitants benefit.

Early Retirement

"Early-outs" authorized after 1 October 1982 require that employee not decline an offer of a position in the Agency for which he is qualified, which is at two grades below current position, and in the same commuting area.

COMMENT: Stricter than previous "early-outs."

Limit on Annuities

Capped COLA's to individuals receiving very high annuities. Limit is GS-15, step 10.

COMMENT: Only one (1) CIARDS annuitant was affected.